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REMARKS

BY

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AT THE

DCI OFF-SITE MANAGERS CONFERENCE

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Many have asked why we are holding this conference now. The "why now?" is a function of time. When the Executive Conference met at a retreat earlier this year, we decided that we should try to expand attendance at the next off-site to bring in the thinking of -- and communicate some ideas to -- a broader range of senior management. Bob Gates and I had two back-to-back trips [] that limited how early in the fall [] could schedule this. Then with the election coming up and all the problems that experience tells us might occur with transition teams and others involved, this turned out to be the only weekend for us to hold this conference. For those of my fellow spooks who wish they were home Halloweening on Monday, I can only apologize. I'm one who enjoys that holiday, but this was the only time we could get together.

This conference is intended to be a four-way dialogue: upwards and downwards and back and forth across the directorates. I came here to share some thoughts with you, but even more to listen to you. During the past year and a half I've managed to get around to most of the offices that are represented here tonight, but there are others I still want to see. Bob has filled in, visiting other areas when he could, and I hope to hear more and learn a great deal more about this organization -- mostly about the people in it.

I have been in a number of places and have consistently found people who are proud of what they're doing and who understand what they're doing. I still think of the faces of the young men and women going through the CT graduation ceremony; the pride of those in Agency offices such as FBIS,

25X1 which I visited recently; and OTS, which I saw several months ago. I think of
25X1 the work that is being done [redacted] I think of the
pioneering work taking place [redacted] and the pride of those who were
explaining it to me out there. All over this country I find that kind of
pride in a job being done, and being done well. The men and the women in the
25X1 [redacted] the men and women I visited [redacted] in various
parts of the world -- all talking about their challenges and, especially,
about their opportunities.

25X1 I just got back from a trip that took me to [redacted] and I was
particularly impressed [redacted] that has never been 25X1
visited by a DCI before, largely because [redacted] has never invited a DCI before.
25X1 Our people [redacted] also talked about the opportunities in their city to
25X1 carry out the various responsibilities of this Agency. Well, there are many
other places that I could mention, but it is the sense of pride that I've
found in all the people I've met with that most impressed me. I have
certainly been proud of them and what they stand for -- they are
professionals.

Occasionally it has been my privilege to represent the Agency to
opinion-makers around the country, and I sense we have gone through some
difficult periods and that people now are more willing to disclose their pride
whenever they think we are doing something well. I spoke to 1,500 chief
executive officers and business leaders on the West coast this summer and when
I mentioned that our applications were coming in at the rate of 1,000 a month,

they broke into applause. That told me something very important about where those business leaders place this Agency in terms of the necessity of having good people coming into it and working with us.

Now I have to confess that I am still struggling to understand the organization of the Central Intelligence Agency. I'm not sure whether this organization came together purposefully or whether it was more like Topsy -- it "just grewed." When I first came here I expected to find a director, and that's me, and a deputy director, but I quickly found out that this building is filled with directors and deputy directors. I discovered that some of them headed divisions while others were office chiefs, and then I found that while offices have divisions, divisions don't have offices. And finally I decided this system had been set up because it's very good cover for confusing hostile intelligence services. Perhaps, if this is working well, we have a situation of "if it ain't broke, don't fix it." But that's one of the things that I wish you would think about as we talk during the next two days -- whether there are ways in which we would benefit from a little better organization.

I'm also not sure that we communicate as well as we should. Now certainly we communicate a lot and that's our business -- collecting and disseminating information. I think that most concerns generally work their way upstream. I'm not as sure that explanations and policy decisions go downstream with the kind of clarity and support that I think is necessary for a cohesive organization. And I'd like you to think about that too as we go through this process.

In a significant way this conference is about leadership, not my leadership and not your leadership in your various responsibilities, but about our leadership -- the leadership of the Central Intelligence Agency. And I hope that this leadership will focus particularly on our people: how they are selected, their training, their exposure to new opportunities, and the encouragement that we provide for them. This is done under a system which I hope unifies by identifying performance objectively and providing opportunities for future growth; a system which is seen to be fair both in terms of personnel advancement and in terms of discipline; a system which supports rather than obstructs creativity and sound initiatives; and a system which, above all, shows we care about our people.

25X1 I've encouraged cross-fertilization in a number of ways. I know that the buzzword "single Agency" or "one Agency" means a lot of things to a lot of people. What I'm concerned about is developing a quality both of management and of understanding that makes it possible for the people here in this room to give direction to people around the world.

I'm looking for opportunities to expand the growth of people who have the potential to supply that kind of leadership. I'm hoping that you will help me find ways to promote that kind of cross-fertilization -- not penalizing those who are willing and interested but, in a very fair and objective way, keeping them identified with their home offices, supported by their home offices, and rewarded wherever possible by their home offices. I'm getting good reports about the Inspector General's system of attracting good men and women from

each of the directorates, giving them exposure to the Agency as a whole, and returning them to their home offices when they're through. I hope that this will prove to be one of our really useful tools in developing good leadership.

Leadership is going to be very important to us, I think, in terms of some of the issues we'll be talking about while we're here: issues such as staffing the centers for counterterrorism, for counterintelligence, and most recently for counternarcotics. We haven't decided what kind of organization is appropriate for counternarcotics. I saw a couple of charts on how we do counternarcotics that made me dizzy, and I'm sure that the good ideas that have been submitted to me are going to bear some fruit. But in any event, we are going to need to draw on talent from across the Agency, and I want to be sure that we get good people assigned to this, that they are recognized for what they do, and that when they return home they're appropriately rewarded for good performance. I think it's important for you to keep in touch with those that you have permitted to go through cross-fertilization processes, to reinforce to every degree that you can the positive value that you place on the assignment of that person to another responsibility, and to make sure that those opportunities are available and that they're remembered.

Last Friday I challenged the CT graduates to learn as much as they could about this Agency and to take some pride and satisfaction in what we're doing for our country, because, as I told them, you are part of it all. Over the next two days I want to take advantage of your interest in the whole Agency, to expose you collectively to some of our major mission and management

problems and to encourage you to contribute your thoughts and ideas on a simple proposition -- how can we do it better?

Now we're not looking for or expecting instant fixes on any set of issues. We don't want you to become bogged down in discussing minor gripes and frictions that affect only a small part of the Agency. Together let's try to think big about our role in government and how we can do it better.

25X1 This conference, put together with [] management and with the help of a great many of you, is intended to focus on things of great concern to us -- understanding near-term challenges such as third-world instability, technology challenges for the 1990s, a look at Gorbachev and all that he involves -- and even considering what it means if he succeeds. We've also brought into the program the major issues of counternarcotics, counter-terrorism, and counterintelligence. And we've added some important management challenges -- developing the next generation of leaders, how we deal with expanded congressional oversight, and how we respond to public scrutiny. I've asked Jim to make sure that in the timing of these presentations there is plenty of time for active participation by everyone who has something to say.

Underlying all these issues, of course, is going to be the matter of resources and funding. We know the good years have come to an end and we're going to face, along with all the other agencies in government, some austerity problems. We will be making the most of what we have with no more coming in -- or even, perhaps, making do with less.

And so I just might mention very briefly my own personal priorities in

connection with funding and resources. I put a high priority on maintaining our people [] not shrinking the size of our [] commitment, and not 25X1
accepting constraints and restrictions on the quality of life of the people who are serving []. They already have enough challenges. I'd like to 25X1
see that we take care of our people in [] exceptionally 25X1
high-cost area where we ask them to go as a part of their career -- they should not have to pay a financial price for doing so.

I want to be sure that those three cross-section programs that I mentioned earlier -- terrorism, narcotics, and counterintelligence -- are fully funded. Congress and the President are going to be expecting a good deal more from us in these three areas, particularly in taking an active role in the counternarcotics program.

I put a priority on the processing and exploitation of what we collect. It has never made any sense to me to get an agency out of balance by adding more people to process more information if we don't know what to do with the information or how to use it or what it means. So we are going to be fighting hard to be sure that item does not get compromised in the budget squeeze.

And I think it's important that we commit ourselves to some investments for the future. As Bob Gates has pointed out many times, we are riding on what was developed five or ten years ago. There have been no new initiatives in the last several years of any significance to assure us that we are staying current with national collection capabilities for the future. And I want to be sure that, in this time of budget constraint, we are making efficient use

of available resources. In this issue resides all the questions of redundancy; competitive work; any fat that has existed, when, in the interest of time, we have put a low priority on worrying about the amount of money we spend. We no longer have that luxury.

Above all, we need to try to think about Agency needs and Agency priorities.

During the next two days you're going to be considering some of our other key issues, but I ask that you think of these issues not as unrelated to your situation, but as a part of our overall responsibilities. All of you have things to contribute and I hope that you'll do so. I ask that you engage in the discussions remembering the dynamics of our work, how interrelated what we do is, and how a single event can necessarily reorder our priorities.

As we consider our need for technology and the enormous impact that technology has had on our collection, our analysis, even how we organize our work place, consider for example

As we consider what part we should play in the nation's counternarcotics program, consider the effects of the new omnibus drug act, an act which is ambiguous at best, in my view, and does not carefully define the role of the drug czar, or the role of the Army, or the role of the Central Intelligence Agency. We're going to have to help the President determine those roles.

As we examine the effects of Gorbachev's new thinking, let us consider the implications for collection, for analysis, for counterintelligence and for supporting the negotiation and monitoring of arms control agreements. Even glasnost is inundating us with information that we never had before -- we're not sure whether it's new and important information or information that is being fed to us for a secondary purpose. All of this requires our careful and collective consideration.

As we deal with the realities of oversight and with the relationship that we have built with Congress, consider what effect the numerous briefings and reports that we provide Congress have had on our resources. Last year we gave over a thousand briefings; we sent over 5,000 reports. I know at least 15 percent of my time, and others tell me as much as 25 percent of their time, was spent in dealing in one way or another with the Congress: responding to their questions, seeking their support, putting out brushfires, getting answers.

I think the solution here is not to stop dealing with Congress, but there may be ways in which we can be more protective from the standpoint of security and more efficient from the standpoint of numbers, but in ways that do not cut down on our growing credibility with key committees. That's very important. Confidence-building on the Hill has everything to do with the resources that we receive and the number of distractions that we face when Congress ceases to have confidence in us.

All of this is prelude, of course, to dealing with the coming transition. I'm not going to talk about that -- some of you have had experiences with transition teams in the past. It's much too early to anticipate what kind of involvement we will have: we'll cooperate fully of course, and I have a feeling that perhaps this time around the transition will not be as difficult as in past years. But for the next two days, let's put aside the demands of the transition teams, of congressmen, of senior policymakers, of foreign intelligence services, and concentrate our energies and considerable skill on how best we can use our resources to fulfill our mission -- how we can do it better.

You are the senior managers that I count on to make us into a cohesive, forward-moving organization. I'm really looking forward to hearing what you have to say about any of the issues that are of concern to you. I welcome this time down here as an opportunity for us to deal with the problems of leading the Agency and I know we're going to have a candid exchange and a worthwhile conference.

And finally, during the breaks and the free time, I hope each of you will take advantage of the opportunity to visit with managers that you don't see every day, to catch up on their projects and goals, and to find out what's on their minds. That alone would be worth the weekend down here. Thank you.